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AFRICA-BUSINESS

MIDA URGES MALAYSIAN BUSINESSMEN TO INVEST IN AFRICA

JOHOR BAHRU, July 24 (Bernama) -- Malaysian companies and businessmen should take the opportunity and venture into three potential sectors in Africa, said deputy director general of Malaysian Industrial Development Authority (MIDA) Datuk J. Jegathesan.

He said the three sectors are textile/garment, maize farming and electrification and wire cable.

If Malaysians don't grab these opportunities quickly, businessmen from other Asian countries such as Hong Kong, Taiwan, Vietnam and India will move in soon, he said at the briefing on Africa-Asia Business Forum here yesterday.

He also said Asian and Malaysian businessmen should look at Africa as their business alternative in the next millennium.

The 5-day forum is scheduled to be held at the Palace of Golden Houses in Kuala Lumpur beginning Oct 25. Prime Minister Datuk Seri Dr Mahathir Mohamad will deliver the keynote address.

According to Jegathesan, Malaysian businessmen have a bright future in the three sectors which can be developed and expanded to boost the region's economy.

He said many businessmen are still afraid to invest in African countries, due to the belief that Africa is not a safe place to do business.

"80 percent of Africa are not affected by warfare and civil unrest and the troubled areas involve only a small part of the continent," he explained.

Jegathesan said another sector that offers good potential and room for development in Africa is the airline business.

He urged more Asian airlines to look at Africa as a profitable destination that they can provide direct flights to from any part of Asia.

"By having direct flights from Asia, it not only provides benefits to the business people in this region but also to tourists. Furthermore, one no longer needs to transit via Europe to visit Africa," he added.

Jegathesan said the African people, however, still have an "Euro-centric" attitude due to their historical background.

Most of Africa were once ruled by a European country like Germany, Portugal, Spain, France, England and Belgium.

"As such, this (Euro-centric) attitude has become a big problem and is deterring investors from many countries (other than European nations) from making investments in the region," he said.

He added that the average GDP growth for the region was 3.3 percent in 1998 and the performing African countries included Egypt, Cameroon, Algeria, Libya, Mauritius, Botswana, Swaziland, Tunisia and Seychelles.

Malaysian investments in Africa in 1996 amounted to RM1.248 billion but this declined to RM414 million in 1997 and RM302 million in 1998, mainly due to the economic crisis, he said.

Some 300 participants from more than 30 African and Asian countries are expected to attend the forum in October and they will include individual investors, import and export specialists, and trade and promotion agents.

It is organised by the United Nations Development Programme (UNDP) in collaboration with the Malaysian government, Multilateral Investment Guarantee Agency (MIGA) and Malaysia South-south Corporation Berhad (MASSCORP). It will be financed by the Japanese Government. -- BERNAMA

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